

**CARLSBAD TOURISM BUSINESS IMPROVEMENT DISTRICT
(CTBID) BOARD**

MINUTES

December 22, 2008

8:30 a.m.

**1635 Faraday Avenue, Room 173A
Carlsbad, CA**

I. CALL TO ORDER:

8:47 a.m.

Chair April Shute called the meeting to order at 8:47 a.m.

II. ROLL CALL:

The Chair took roll call and four Directors were present. Board Members Barbara Howard-Jones and Tim Stripe were absent.

III. (C) APPROVE MINUTES OF NOVEMBER 24, 2008 MEETING

Mr. Cima made a motion, seconded by Mr. Canepa, to approve the minutes of the November 24, 2008 meeting. Motion carried unanimously.

IV. AB12-08-39 APPROVE MINDGRUVE AGREEMENT

Mr. Cima made a motion, seconded by Mr. Becerra, to approve Resolution #2008-10 authorizing the Board Chairperson to sign the agreement with Mindgruve to perform the Marketing Plan. Motion carried unanimously.

V. STAFF REPORT

1) Financial Report

Mrs. Gerhardt presented a staff report to update the Board members on financial activity that has transpired since the previous meeting. (The PowerPoint slide presentation is attached to these minutes.)

Financial Highlights include:

- Jan-October CTBID revenue is up 8% over prior year
- Room count has increased 12% over last 8 months
- Average Occupancy rate last 12 months = 61%
- Current year contingency = \$0
- Unbudgeted reserves = \$230,000
- Total number of hotel rooms = 3,635

Mr. Elliott asked Mrs. Gerhardt if information was available for the TOT revenue. The data is available and Mrs. Gerhardt will provide the TOT revenue at future meetings.

VI. DISCUSSION

Mr. Reint Reinders of Reint Reinders & Associates (RR&A) provided an update report. He thanked the Board for approving the agreement with Mindgruve. This is an excellent start to put new operational and marketing strategies into place for the new Destination Marketing Organization (DMO). RR&A plans to work closely with Mindgruve.

RR&A will work closely with Mindgruve to conduct the Research, the Brand Platform, the Carlsbad logo design, Brochure design, the Tourism Package Development, the Print Campaign and Microsite Design & Programming.

Mr. Reinders reported he has met with Chair Shute and Vice Chair Stripe and also with the executive committee of the Carlsbad Convention and Visitors Bureau (CCVB). He expressed interest in recruiting the new DMO's CEO and asked the Board members to allow him to work in that capacity with the CCVB.

Mr. Reinders stated this is the ideal opportunity to create a new organization that will be re-energized and he feels positive that this will happen. He desires direction from the CTBID Board to allow him to perform the dual role to work with both the CTBID and the CCVB. The goal is to complete the CEO search, the interview and hiring processes, by the end of the 2008-09 fiscal year, with the new CEO and new marketing plan on board by July 1, 2009.

Mr. Reinders stated interest has been expressed relative to scheduling a workshop with the CTBID Board and the CCVB. He mentioned there are many processes to follow in order to hold such a meeting. Mr. Elliott stated that this Board must follow the government processes. They can talk to people and can schedule a meeting. The meeting must be noticed to the public, topics must be stated, and the meeting must be held in a public place where the public can attend.

Mr. Edmonson added that whatever topics are posted on the agenda, the Board members cannot stray from those topics. The more information included on the notice and the intention of the Board, the more flexibility it has.

Mr. Elliott stated that RR&A is a contractor hired by the CTBID Board. It is difficult for the contractor to work for two different organizations. That would involve a conflict of interest. This Board has a stake in the person who is ultimately hired at the CCVB. The opportunity before the Board now is to discuss the qualifications and expectations for the new CCVB CEO.

Mrs. Nancy Nayudu, Chair of the CCVB Board, commended the Board members on all the hard work they have done. She also shared a wonderful opportunity has presented itself. She would appreciate everyone's input on the job description for the new CEO of the DMO. She wishes to improve communication. Everyone is working toward the same goal. It is not a competition. The CCVB Board will give RR&A the information it needs to make recommendations to the CTBID Board.

Action: Mr. Edmonson and Mrs. Gerhardt will review the RR&A contract to ensure RR&A has been tasked properly. If anything needs to be changed, they will bring it to the Board for approval.

RR&A has fiduciary responsibility to the CTBID Board and there will be a conflict of interest if it works for the DMO. Mr. Elliott suggested that the CTBID Board create a separate entity so it will not be required to adhere to the government processes and move forward into a marketing process. He suggested that the Board members give thought to the concept of how it operates and its relationship with the DMO.

VIII. NEXT MEETING

The next regular meeting is on Tuesday, January 27, 2009, from 3:00 p.m. to 5:00 p.m. at 1635 Faraday Avenue, Room 173A.

Agenda items to include:

1. Review of CTBID Grant Applications
2. Receive Mindgruve update
3. Receive RR&A update to include an executive search
4. TOT report

GENERAL COUNSEL COMMENT

None.

NON-AGENDA PUBLIC COMMENT

Mr. Elliott stated that Sheryl Keller has accepted a position in another City department and will no longer serve as staff to the Board. He introduced Sherry Freisinger who works in the City Clerk's office. Sherry will assume the duties previously performed by Sheryl.

ADJOURNMENT

Chair Shute adjourned the meeting at 9:48 a.m.

Respectfully submitted,

Sheryl Keller
Recording Secretary

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Carlsbad Tourism
Business Improvement
District

Financial Update

November 30, 2008

CTBID Assessment Revenue

12 month period



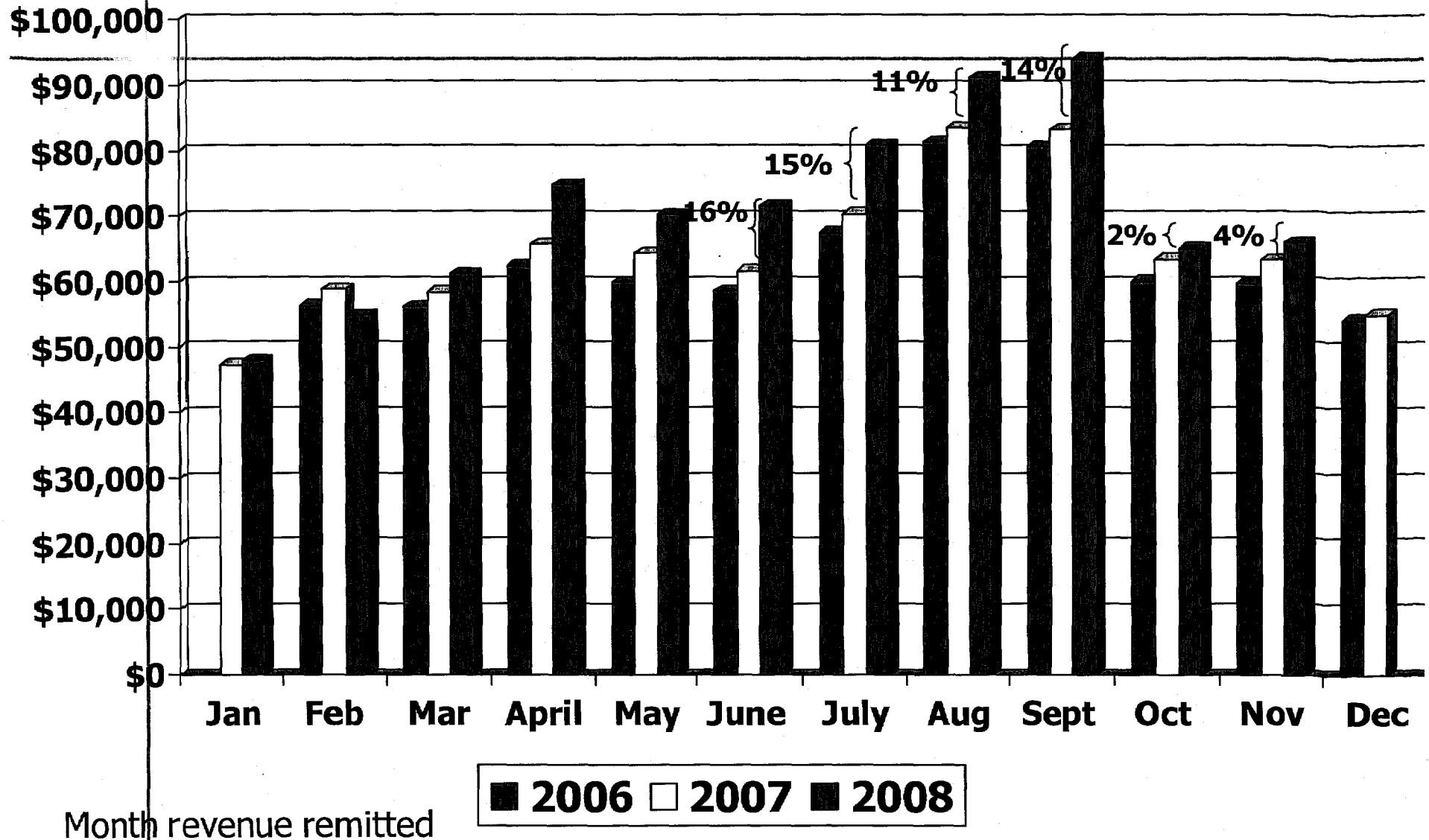
Month revenue remitted

■ Hotel ■ Timeshare

Ave occupancy rate 61%

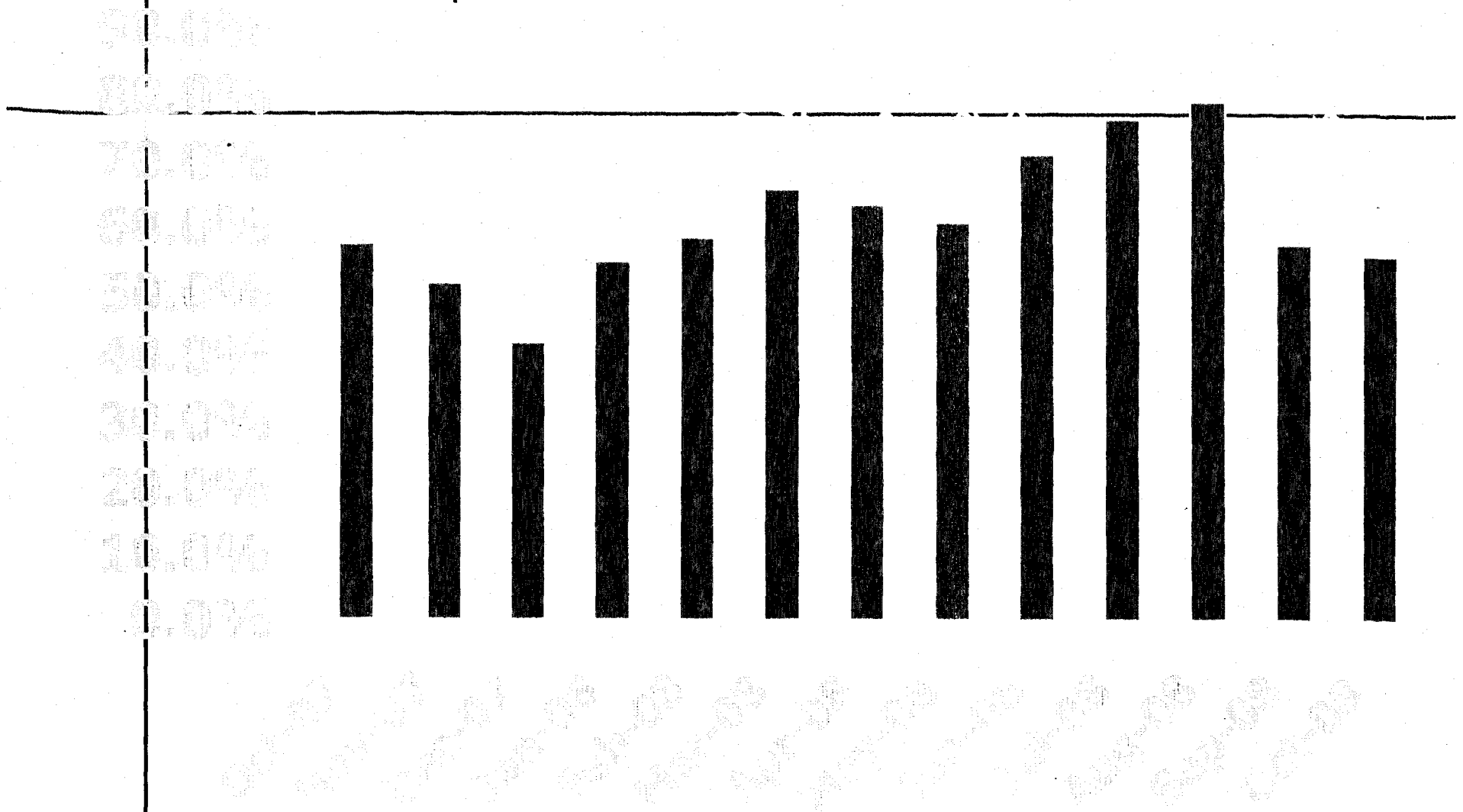
CTBID Assessment Revenue

34 month period
(since CTBID Inception)



Monthly Occupancy rate*

12 month period



Month of hotel stay

*Does not include comp rooms

Ave occupancy rate 61%

2008-09 Budget to Actual

Program Areas	Budget	Actual 30-Nov-08	Difference
Revenues:			
CTBID Assessment	775,000	394,772	-380,228
Interest Earnings	10,000	4,409	-5,591
Total Estimated Revenues	785,000	399,181	-385,819
Expenditures:			
2% Admin Fee - City	16,500	7,761	-8,739
CCVB Contract	448,000	187,000	-261,000
SDNCVB Contract	110,000	45,833	-64,167
Staff support	16,500	9,862	-6,638
CTBID Grants	40,000	17,000*	-23,000
RR&A Contract	80,000	40,000	-40,000
Mindgruve Contract	350,000	0	-350,000
Total Expenses	1,061,000	307,456	-753,544

* Encumbered

FYTD 2007 vs 2008

Program Areas	Actual 30-Nov-07	Actual 30-Nov-08	\$ Difference	% Difference
<u>Revenues:</u>				
CTBID Assessment	379,890	394,772	14,883	3.9
Interest Earnings	7,058	4,409	- 2,649	-37.5
Total Estimated Revenues	386,948	399,181	12,233	3.1
<u>Expenditures:</u>				
2% Admin. Fee - City	7,479	7,761	302	4.9
CCVB Contract	187,000	187,000	0	0
SDNCVB Contract	45,833	45,833	0	0
Staff support	4,809	9,862	5,053	105.1
Positioning Study	58,518	0	-58,518	-100.0
CTBID Grants	0	17,000	17,000	100.0
RR&A Contracts	0	40,000	40,000	100.0
Total Expenses	303,639	247,327	-6,755	1.3